

## General Assembly

## **Amendment**

February Session, 2006

LCO No. 2718

\*HB0568402718SR0\*

Offered by:

SEN. GUNTHER, 21st Dist. SEN. FREEDMAN, 26th Dist.

To: House Bill No. 5684

File No.

Cal. No.

## "AN ACT CONCERNING REFORM OF THE STATE CONTRACTING PROCESS."

- 1 Strike sections 12 and 24 in their entirety and renumber the
- 2 remaining sections and internal references accordingly
- 3 In line 632, strike "On and"
- 4 Strike lines 633 and 634 in their entirety
- 5 In line 635, strike "<u>under subsection (b) of section 12 of this act.</u>"
- 6 After line 1274, insert the following and renumber the remaining
- 7 section accordingly:
- 8 "Sec. 24. Section 4b-3 of the general statutes is repealed and the
- 9 following is substituted in lieu thereof (*Effective October 1, 2006*):
- 10 (a) There is established a State Properties Review Board which shall
- 11 consist of six members appointed as follows: The speaker of the House

and president pro tempore of the Senate shall jointly appoint three members, one of whom shall be experienced in matters relating to architecture, one experienced in building construction matters and one in matters relating to engineering; and the minority leader of the House and the minority leader of the Senate shall jointly appoint three members, one of whom shall be experienced in matters relating to the purchase, sale and lease of real estate and buildings, one experienced in business matters generally and one experienced in the management and operation of state institutions. No more than three of said six members shall be of the same political party. One of the members first appointed by the speaker and the president pro tempore shall serve a two-year term, one shall serve a three-year term and one shall serve a four-year term. One of the members first appointed by the minority leaders of the House and Senate shall serve a two-year term, one shall serve a three-year term and one shall serve a four-year term. All appointments of members to replace those whose terms expire shall be for a term of four years and until their successors have been appointed and qualified. If any vacancy occurs on the board, the appointing authorities having the power to make the initial appointment under the provisions of this section shall appoint a person for the unexpired term in accordance with the provisions hereof.

- (b) The chairman of the board shall be compensated two hundred dollars per diem up to a maximum of thirty thousand dollars annually. Other members of the board shall be compensated two hundred dollars per diem up to a maximum of twenty-five thousand dollars annually. The members of the board shall choose their own chairman. No person shall serve on this board who holds another state or municipal governmental position and no person on the board shall be directly involved in any enterprise which does business with the state or directly or indirectly involved in any enterprise concerned with real estate acquisition or development.
- (c) The board may adopt such rules as it deems necessary for the conduct of its internal affairs, in accordance with section 4-167, and may employ an executive director, a real estate examiner, a financial

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46 <u>administrative assistant</u>, a secretary, a clerk, and within its budget, 47 such <u>additional</u> employees as it shall deem necessary.

(d) Notwithstanding any other statute or special act to the contrary, the Commissioner of Public Works shall be the sole person authorized to represent the state in its dealings with third parties for the acquisition, construction, development or leasing of real estate for housing the offices or equipment of all agencies of the state or for the state-owned public buildings or realty hereinafter provided for in section 2-90, sections 4b-1 to 4b-5, inclusive, 4b-21, 4b-23, as amended, 4b-24, 4b-26, 4b-27, 4b-30 and 4b-32, subsection (c) of section 4b-66, sections 4b-67 to 4b-69, inclusive, 4b-71, 4b-72, 10-95, 10a-72, 10a-89, 10a-90, 10a-114, 10a-130, 10a-144, 17b-655, 22-64, 22a-324, 26-3, 27-45, 32-1c, 32-39, 48-9, 51-27d and 51-27f, except that the Joint Committee on Legislative Management may represent the state in the planning and construction of the Legislative Office Building and related facilities, in Hartford; the board of trustees of a constituent unit of the state system of higher education may represent the state in the leasing of real estate for housing the offices or equipment of such constituent unit provided no lease payments for such realty are made with funds generated from the general revenues of the state; the Labor Commissioner may represent the state in the leasing of premises required for employment security operations as provided in subsection (c) of section 31-250; the Commissioner of Mental Retardation may represent the state in the leasing of residential property as part of the program developed pursuant to subsection (b) of section 17a-218, as amended, provided such residential property does not exceed two thousand five hundred square feet, for the community placement of persons eligible to receive residential services from the department and the Connecticut Marketing Authority may represent the state in the leasing of land or markets under the control of the authority, and, except for the housing of offices or equipment in connection with the initial acquisition of an existing state mass transit system or the leasing of land by said Marketing Authority for a term of one year or more in which cases the actions of the Department of Transportation and the

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Marketing Authority shall be subject to the review and approval of the State Properties Review Board. Said commissioner shall have the power to establish and implement any procedures necessary for him to assume his responsibilities as said sole bargaining agent for state realty acquisitions and shall perform the duties necessary to carry out such procedures. He may appoint, within his budget and subject to the provisions of chapter 67, such personnel deemed necessary by him to carry out the provisions hereof, including experts in real estate, construction operations, financing, banking, contracting, architecture and engineering. The Attorney General's office, at the request of the commissioner, shall assist the commissioner in contract negotiations regarding the purchase, lease or construction of real estate.

- (e) The State Properties Review Board shall be an independent body within the Executive Department.
- (f) The State Properties Review Board shall review real estate acquisitions, sales, leases and subleases, license agreements and any other agreements relating to acquisition or disposal of an interest in real property proposed by the Commissioner of Public Works, the acquisition, other than by condemnation, or the sale, sublease or lease of any property or the entry into any license agreement relating to the property by the Commissioner of Transportation under subdivision (12) of section 13b-4, subject to section 4b-23, as amended, and subsection (h) of section 13a-73 and review, for approval or disapproval, any contract for a project described in subsection (h) of section 4b-91, as amended. Such review shall consider all aspects of the proposed actions, including feasibility and method of acquisition and the prudence of the business method proposed. The board shall also cooperate with and advise and assist the Commissioner of Public Works and the Commissioner of Transportation in carrying out their duties. The board shall have access to all information, files and records, including financial records, of the Commissioner of Public Works and the Commissioner of Transportation, and shall, when necessary, be entitled to the use of personnel employed by said commissioners. The board shall approve or disapprove any acquisition of development

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rights of agricultural land by the Commissioner of Agriculture under section 22-26cc, as amended.

- 116 (g) The General Assembly may approve legislation authorizing an 117 exception to the review requirements of this section, provided the 118 Governor issues a declaration of emergency requiring such an 119 exception and such legislation is approved, in whole, by a three-fifths 120 vote of the members of each house of the General Assembly. In the 121 event that the General Assembly approves legislation authorizing an 122 exception to the review requirements of this section, the State 123 Properties Review Board shall have ten days to complete an expedited 124 review of the proposed action and approve or disapprove such action 125 not later than ten days after the enactment of such legislation. Such 126 review shall be conducted in accordance with the provisions of section 127 4b-3.
- Sec. 25. Subsection (i) of section 4b-23 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):
  - (i) As used in this subsection, (1) "project" means any state program, except the downtown Hartford higher education center project, as defined in subsection (l) of section 4b-55, as amended, requiring consultant services if (A) the cost of such services is estimated to exceed fifty thousand dollars or, in the case of a constituent unit of the state system of higher education, the cost of such services is estimated to exceed three hundred thousand dollars, or (B) (i) the construction costs in connection with such program are estimated to exceed five hundred thousand dollars or, in the case of a constituent unit of the state system of higher education, other than The University of Connecticut, the construction costs in connection with such program are estimated to exceed two million dollars, and (ii) the cost of a consultant services contract for such program exceeds twenty thousand dollars or the cost of an amendment to a consultant services contract makes the total cost of the amendment, all previous amendments to such contract and the contract exceed twenty thousand

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147 dollars for the first time; (2) "consultant" means "consultant" as defined 148 in section 4b-55, as amended; and (3) "consultant services" means 149 "consultant services" as defined in section 4b-55, as amended. Any consultant selected by the commissioner, and any contracts entered 150 151 into by the commissioner with any consultants for employment, on 152 any project under the provisions of this section, shall be subject to the 153 approval of the Properties Review Board prior to the employment of 154 said consultant or consultants by the commissioner. The Properties 155 Review Board shall, within thirty days, approve or disapprove the 156 selection of or contract with any consultant made by the Commissioner 157 of Public Works pursuant to sections 4b-1 and 4b-55 to 4b-59, inclusive, 158 as amended. If upon the expiration of the thirty-day period a decision 159 has not been made, the Properties Review Board shall be deemed to 160 have approved such selection or contract. <u>In determining costs for the</u> 161 purposes of this subsection, costs for similar services with respect to a 162 project shall be aggregated.

- Sec. 26. Section 4b-24 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):
- In acting as the determining authority in fulfilling the needs of the various departments and agencies of state government, except the Legislative Department, and choosing the method of acquisition which shall be pursued in the open competitive market, the commissioner shall:
- 170 (1) (A) Compile and maintain comprehensive and complete 171 inventories of all the improved and unimproved real estate available to 172 the state by virtue of ownership or lease. The actual mechanical 173 compilation of such inventories may be handled, at the request of the 174 commissioner, by the Secretary of the Office of Policy and 175 Management; provided such compilation shall be available to the 176 Commissioner of Public Works at all times. Such inventory shall be 177 used by the commissioner as the primary source for meeting state 178 needs, and shall be shared with the review board and with the 179 Secretary of the Office of Policy and Management; (B) prepare an

annual inventory of improved and unimproved real estate which is owned by the state and which is unused or underutilized and study and make recommendations concerning the reuse or disposition of such real estate; (C) identify in the inventories required under subparagraphs (A) and (B) of this subdivision, existing buildings that (i) are of historic, architectural or cultural significance, including buildings listed or eligible to be listed in the national register established under the National Historic Preservation Act of 1966, 80 Stat. 915 (1966), 16 USC 470a<sub>z</sub> and (ii) would be suitable, whether or not in need of repair, alteration or addition, to meet the public building needs of the state or to meet the needs of the public in accordance with the provisions of subsection (m) of section 4b-23, as amended.

- (2) Whenever realty uses designed uniquely for state use and for periods over five years are concerned, the commissioner shall, whenever practicable, attempt to purchase, lease-purchase or construct on state-owned land. In such cases leases shall be used only when other possibilities have been eliminated as not feasible, in the opinion of the commissioner.
- (3) Whenever the commissioner has established specific plans and specifications for new construction on state land or new construction for sale to the state: (A) If it appears to the commissioner that the cost of the project shall be less than five hundred thousand dollars, contracts shall be made, where practicable, through a process of sealed bidding as provided in section 4b-91, as amended by this act, relating to projects in excess of five hundred thousand dollars; (B) if it appears to the commissioner that the space needs of the requesting agency are less than five thousand square feet, the commissioner shall, whenever practicable, carry on advertising, in accordance with the provisions of section 4b-34 relating to projects in excess of five thousand square feet, in order to allow an equal opportunity for third parties to do business with the state without regard to political affiliation, political contributions or relationships with persons in state, federal or local governmental positions.

(4) The commissioner may designate projects to be accomplished on a total cost basis for (A) new facilities to provide for the substantial space needs of a requesting agency, (B) the installation of mechanical or electrical equipment systems in existing state facilities, or (C) the demolition of any state facility that the commissioner is authorized to demolish under the general statutes. If the commissioner designates a project as a designated total cost basis project, the commissioner may enter into a single contract with a private developer which may include such project elements as site acquisition, architectural design and construction. The commissioner shall select a private developer from among the developers who are selected and recommended by the award panels established in this subdivision. All contracts for such designated projects shall be based on competitive proposals received by the commissioner, who shall give notice of such project, and specifications for the project, by advertising, at least once, in a newspaper having a substantial circulation in the area in which such project is to be located. In no case shall the solicitation of competitive proposals for projects by electronic means be substituted for print advertisements. No contract which includes the construction, reconstruction, alteration, remodeling, repair or demolition of any public building for work by the state for which the total cost is estimated to be more than five hundred thousand dollars may be awarded to a person who is not prequalified for the work in accordance with section 4a-100. The commissioner shall determine all other requirements and conditions for such proposals and awards and shall have sole responsibility for all other aspects of such contracts. Such contracts shall state clearly the responsibilities of the developer to deliver a completed and acceptable product on a date certain, the maximum cost of the project and, as a separate item, the cost of site acquisition, if applicable. No such contract may be entered into by the commissioner without the prior approval of the State Properties Review Board and unless funding has been authorized pursuant to the general statutes or a public or special act.

(5) Whenever a bid is made to the commissioner for any purpose

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regarding the use of land or whenever any person proposes to sell or

- lease land to the state, the bidder or such person shall be the owner of
- 249 the land, or the commissioner shall have the option to void any
- contract subsequently made with said bidder or third person.
- 251 (6) In all dealings with the commissioner the owner of record or 252 beneficial owner shall be disclosed to the commissioner and the bid
- shall be revealed to the owner of record or beneficial owner or the
- 254 commissioner shall have the option to void any contract subsequently
- 255 made concerning any such dealing.
- 256 (7) After the authorization of a project under the provisions of 257 section 4b-23, as amended, the public auditors of the state and the 258 auditors or accountants of the Commissioner of Public Works shall 259 have the right to audit the books of any contractor employed by the 260 commissioner pursuant to such authorization, or of any party 261 negotiating with the commissioner for the acquisition of land by lease 262 or otherwise; provided, however, that any such audit shall be limited 263 to the project authorized by the commissioner and the Properties 264 Review Board, and provided further that in the case of a party 265 negotiating with the commissioner, such audit may also be conducted 266 after the negotiations have ended, if a contract is consummated with
- Sec. 27. Section 4b-55 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective*
- 270 October 1, 2006):

the commissioner.

- As used in this section, section 4b-1 and sections 4b-56 to 4b-59,
- inclusive, unless the context clearly requires otherwise:
- 273 (a) "Commissioner" means the Commissioner of Public Works;
- (b) "Consultant" means (1) any architect, professional engineer,
- 275 landscape architect, land surveyor, accountant, interior designer,
- 276 environmental professional or construction administrator, who is
- 277 registered or licensed to practice such person's profession in

accordance with the applicable provisions of the general statutes, or (2)any planner or financial specialist;

- (c) "Consultant services" shall include those professional services rendered by architects, professional engineers, landscape architects, land surveyors, accountants, interior designers, environmental professionals, construction administrators, planners or financial specialists, as well as incidental services that members of these professions and those in their employ are authorized to perform;
- [(d) "University of Connecticut library project" means a project to renovate and improve the Homer Babbidge Library at The University of Connecticut;]
  - [(e)] (d) "Firm" means any individual, partnership, corporation, joint venture, association or other legal entity (1) authorized by law to practice the profession of architecture, landscape architecture, engineering, land surveying, accounting, interior design, environmental or construction administration, or (2) practicing the profession of planning or financial specialization;
  - [(f) "Priority higher education facility project" means any project which is part of a state program to repair, renovate, enlarge, equip, purchase or construct (1) instructional facilities, (2) academic core facilities, including library, research and laboratory facilities, (3) student residential or related student dining facilities, or (4) utility systems related to such projects, which are or will be operated under the jurisdiction of the board of trustees of any constituent unit of the state system of higher education, except The University of Connecticut provided the project is included in the comprehensive facilities master plan of the constituent unit pursuant to section 10a-4a or in the most recent state facility plan of the Office of Policy and Management pursuant to section 4b-23;]
  - [(g)] (e) "Project" means any state program requiring consultant services if (1) the cost of such services is estimated to exceed fifty thousand dollars or, in the case of a constituent unit of the state system

of higher education, the cost of such services is estimated to exceed

- 311 three hundred thousand dollars, and (2) the construction costs in
- 312 connection with such program are estimated to exceed five hundred
- 313 thousand dollars; or, in the case of a constituent unit of the state
- 314 system of higher education, other than The University of Connecticut,
- 315 the construction costs in connection with such program are estimated
- 316 to exceed two million dollars. In determining costs for the purposes of
- 317 this subsection, costs for similar services with respect to a project shall
- 318 <u>be aggregated</u>;
- [(h)] (f) "Selection panel" or "panel" means the State Construction
- 320 Services Selection Panel established pursuant to subsection (a) of
- 321 section 4b-56 or, in the case of a Connecticut Health and Education
- 322 Facilities Authority project pursuant to section 10a-186a, as amended,
- 323 means the Connecticut Health and Education Facilities Authority
- 324 Construction Services Panel established pursuant to subsection (c) of
- 325 section 4b-56; and
- 326 [(i)] (g) "User agency" means the state department or agency
- 327 requesting the project or the agency for which such project is being
- 328 undertaken pursuant to law. [;]
- 329 [(j) "Community court project" means (1) any project to renovate
- and improve a facility designated for the community court pilot
- 331 program established pursuant to section 51-181c, and (2) the
- renovation and improvement of other state facilities required for the
- 333 relocation of any state agency resulting from the placement of the
- 334 community court;
- 335 (k) "Connecticut Juvenile Training School project" means a project
- 336 (1) to develop on a designated site new facilities for a Connecticut
- 337 Juvenile Training School in Middletown including, but not limited to,
- 338 preparing a feasibility study for, designing, constructing,
- 339 reconstructing, improving or equipping said facility for use by the
- 340 Department of Children and Families, which is an emergency project
- because there is an immediate need for completion of said project to

342 remedy overcrowding at Long Lane School; said school shall have an

- annual average daily population of not more than two hundred forty
- residents; or (2) to develop a separate facility for girls including, but
- 345 not limited to, acquiring of land or buildings, designing, constructing,
- 346 reconstructing, improving or equipping said facility for use by the
- 347 Department of Children and Families;
- 348 (l) "Downtown Hartford higher education center project" means a
- 349 project to develop a higher education center, as defined in
- 350 subparagraph (B) of subdivision (2) of section 32-600, and as described
- 351 in subsection (a) of section 32-612, for the regional community-
- 352 technical college system;
- (m) "Correctional facility project" means any project (1) which is
- 354 part of a state program to repair, renovate, enlarge or construct
- 355 facilities which are or will be operated by the Department of
- 356 Correction, and (2) for which there is an immediate need for
- 357 completion in order to remedy prison and jail overcrowding; and
- (n) "Juvenile detention center project" means any project (1) which is
- 359 part of a state program to repair, renovate, enlarge or construct
- 360 juvenile detention centers which are or will be operated by the Judicial
- 361 Department, and (2) for which there is an immediate need for
- 362 completion in order to remedy overcrowding.]
- Sec. 28. Section 4b-56 of the general statutes is repealed and the
- following is substituted in lieu thereof (*Effective October 1, 2006*):
- 365 (a) There shall be established within the Department of Public
- 366 Works a State Construction Services Selection Panel which shall consist
- of five members. Four of such members shall be appointed by the
- 368 commissioner, shall be current or retired employees of the Department
- of Public Works and shall serve for terms of one year from July first.
- 370 The remaining member shall be appointed by the head or acting head
- of the user agency and shall serve only for deliberations involving the
- 372 project for which he was appointed. If any vacancy occurs on the
- 373 panel, the commissioner shall appoint a person for the unexpired term

- in accordance with the provisions of this subsection.
- 375 (b) The selection panel shall not be deemed to be a board or commission within the meaning of section 4-9a, as amended.
- 377 (c) There shall be established within the Department of Public 378 Works a Connecticut Health and Education Facilities Authority 379 Construction Services Panel which shall consist of five members: Three 380 of whom shall be appointed by the Commissioner of Public Works and 381 shall be current employees of the Department of Public Works; and the 382 remaining members shall be appointed by the head or acting head of 383 the user agency and shall serve only for deliberations involving the 384 project for which such member was appointed. The members of the 385 selection panel appointed by the Commissioner of Public Works shall 386 serve for terms of one year from July first. If any vacancy occurs on the 387 panel, the Commissioner of Public Works or the head or acting head of 388 the user agency, as appropriate, shall appoint a person for the 389 unexpired term in accordance with the provisions of this subsection.
  - (d) The panel established pursuant to subsection (c) of this section shall not be deemed to be a board or commission within the meaning of section 4-9a, as amended. Such panel shall be the selection panel only for Connecticut Health and Education Facilities Authority projects pursuant to section 10a-89b.
  - (e) No person having a beneficial interest in any of the bidding entities or whose family members are employees of, or have such an interest in a bidding entity, shall be appointed to, or supervise the activities of, the Selection Panel or Construction Services Panel.
  - Sec. 29. Subsection (a) of section 4b-57 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):
- (a) Whenever consultant services are required by the commissioner in fulfilling his responsibilities under section 4b-1, and in the case of each project, the commissioner shall invite responses from such firms

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by advertisements inserted at least once in one or more newspapers having a circulation in each county in the state. The commissioner shall prescribe, by regulations adopted in accordance with chapter 54, the advance notice required for, the manner of submission, and conditions and requirements of, such responses. In no case shall the solicitation of competitive proposals for consultant services or projects by electronic means be substituted for print advertisements.

- Sec. 30. Section 4b-58 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):
- (a) [(1) Except in the case of a project, a priority higher education facility project, a project, as defined in subdivision (16) of section 10a-109c, undertaken by The University of Connecticut, a community court project, a correctional facility project, a juvenile detention center project, and the downtown Hartford higher education center project, the commissioner shall negotiate a contract for consultant services with the firm most qualified, in the commissioner's judgment, at compensation which the commissioner determines is both fair and reasonable to the state. (2) In the case of a project, the commissioner shall negotiate a contract for such services with the most qualified firm from among the list of firms submitted by the panel at compensation which the commissioner determines in writing to be fair and reasonable to the state. If the commissioner is unable to conclude a contract with any of the firms recommended by the panel, the commissioner shall, after issuing written findings of fact documenting the reasons for such inability, negotiate with those firms which the commissioner determines to be most qualified, at fair and reasonable compensation, to render the particular consultant services under consideration. [(3) Whenever consultant services are required for a priority higher education facility project, a community court project, a correctional facility project, a juvenile detention center project, or the downtown Hartford higher education center project, the commissioner shall select and interview at least three consultants or firms and shall negotiate a contract for consultant services with the firm most

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qualified, in the commissioner's judgment, at compensation which the commissioner determines is both fair and reasonable to the state, except that if, in the opinion of the commissioner, the Connecticut Juvenile Training School project needs to be expedited in order to meet the needs of the Department of Children and Families, the commissioner may waive such selection requirement. Except for the downtown Hartford higher education center project, the Commissioner shall notify the State Properties Review Board of the commissioner's action not later than five business days after such action for its approval or disapproval in accordance with subsection (i) of section 4b-23, as amended, except that if, not later than fifteen days after such notice, a decision has not been made, the board shall be deemed to have approved such contract. If the commissioner fails to so notify the board within five business days, the board shall be deemed to have disapproved such contract.

(b) In determining fair and reasonable compensation to be paid in accordance with subsection (a) of this section, the commissioner shall consider, in the following order of importance, the professional competence of the consultant, the technical merits of the proposal, the ability of the firm to perform the required services within the time and budgetary limits of the contract and the price for which the services are to be rendered."